

MEMORANDUM FOR: MR. DULLES

W. J. Frost

As you will recall, Adm. Frost distributed the attached at the USIB meeting on 12 November. I have had copies made for General Cabell, DD/P, DD/I (OCI), and ONE.

W. J. Frost

WJF
JSE

12 Nov 58

(DATE)

FORM NO. 101 REPLACES FORM 10-101
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NAVY review(s) completed.



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
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IN REPLY REFER TO

Op-922Y2/wc
Ser 0010013P92

12 NOV 1958

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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

Subj: Interdiction of Shipping to Amoy; report of (S NOFORN)

1. In accordance with the discussions held during the USIB meeting of 4 November 1958, a study has been made with regard to the extent to which the GRC fired against ships and junks of various nationalities attempting to enter Chinese Communist ports. This study attempts to show the relationship, if any, between the Nationalist interdiction of shipping in the Straits area and the resumption of heavy Communist artillery firing on 23 August 1958.
2. Ever since the Chinese Communists seized power on the China mainland in 1949, the GRC, to a varying degree, attempted to enforce a port closure policy against Communist mainland ports. This port closure policy has been directed primarily against those Communist ports within range of the GRC naval and air force. Since 1949, a significant number of interceptions, seizures, and attacks have been made by the GRC against not only Communist shipping, but also against shipping of other nationalities. The principal victim of these attacks and interceptions has been Great Britain, with at least 240 incidents known to have occurred since 1949. Interceptions, shellings, seizures, and detention of as many as 24 ships of other nationalities also are known to have taken place. The nationalities involved include ships of British, Panamanian, Greek, Norwegian, West German, Dutch, Italian, Danish, Japanese, Polish, and Russian registry. Although many of the British ships actually were fired upon by GRC naval units or shore batteries, the majority of the incidents involving ships other than British registry were characterized by interceptions and seizures; the most noteworthy of these being the seizure of the Polish tanker PRACA in October 1953; seizure of the Polish freighter PREZYDENT GOTTWALD in May 1954; and the seizure of the Soviet tanker TUAPSE in June 1954. The greatest proportion of incidents reported occurred outside the Amoy area, principally in the Foochow region and in the Taiwan Straits.
3. As far as the Amoy region is concerned, only 26 incidents involving foreign shipping, other than Chinese Communist junks, are known to have occurred. No Chinese Communist ships larger than junks or small coasters are known to have called at Amoy. Again, the bulk of these incidents involved ships of British registry. Ships of other nationalities included two Panamanian, one Greek, and one West German. Of these 26 incidents

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involving ships of foreign registry, the majority (about 17) were interdicted by units of the GRC navy rather than by artillery fire from the Kinmen group. The bulk of all harassing incidents occurred between 1949 and the end of 1955; and by 1957, the "blockade" of Amoy had been relaxed considerably. By September of 1957 as many as 13 British merchant ships are known to have called at Amoy without any resistance on the part of the GRC. There are no incidents known to have occurred in the Amoy region so far in 1958, however, five British merchant ships are known to have been intercepted, stopped, and subsequently released after questioning. These latter five incidents occurred outside of the Amoy area, primarily in the Foochow/Matsu region. A definite change in GRC policy was observed in late 1957, with information actually volunteered by the GRC that there would be no firing conducted against British shipping in the area. In February 1958, however, the GRC reiterated their warning to all shipping, not to sail near the Communist coast. This warning was tempered by the qualification that if ships must sail near the Communist coast, they should notify the GRC beforehand.

4. GRC harassment of junk traffic in the Amoy region, as well as along the entire Communist coast opposite Taiwan, appears to be of a continuous nature. Junks have been interdicted by guerrillas from Kinmen, as well as by artillery and naval gunfire. In addition, numerous reports indicate GRC naval and artillery fire against "unidentified radar contacts". In many cases the radar contacts were evaluated to be small Communist naval units; however, some of these contacts undoubtedly were either junks, or else false radar echos. In any case, there are no known instances where junks other than Communist have been harassed in the immediate Taiwan Straits coastal area except for one incident involving Japanese junks which occurred in April 1957 when GRC naval units fired warning shots as the junks attempted to enter Swatow.

5. Track laying on the Ying-tan to Amoy Railroad was completed to the Amoy Station on 9 December 1956; the line was officially opened to regular through traffic on 12 April 1957. Photos of 1 May 1958 revealed that work was underway on a short extension of the line, leading to the dock area of Amoy. Completion of this section was noted on 16 September 1958. Although completion of the railroad line to the dock area may have prompted the Communists to attempt fuller use of Amoy Port, it does not appear that this per se prompted the resumption of heavy artillery firing in the Amoy area. It should be noted that since the resumption of heavy artillery firing on

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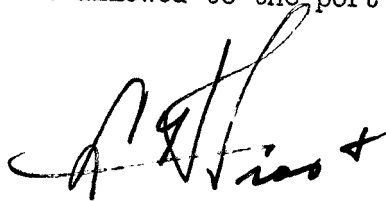
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23 August, only one foreign ship has called at Amoy; this was a British ship which arrived there 8 November, presumably having been sold to the Communists.

6. Based on an analysis of the above information, it appears that GRC interdiction of Communist shipping into Amoy has been a continuing endeavor; however, this interdiction has been directed primarily at Communist coastal traffic, including conventional and motorized junks. Large size Chinese Communist ships have not been involved in any of the known harassing incidents. Communist Bloc ships have been involved, resulting in the seizure of two Polish and one Soviet ship by the GRC. It should be noted, however, that none of these ships were bound for Amoy. The GRC have harassed shipping of nationalities other than Communist, with ships of British registry bearing the brunt of the harassment. It appears that most of the harassing has occurred outside of the immediate Amoy area, primarily in the Foochow/Matsu region. Harassment of junk traffic has been directed primarily against Chinese Communist junks, with only one exception, that of a firing incident directed against Japanese junks in the Swatow area. The GRC have made no distinction between nationalities in their interdiction of shipping in the Taiwan Straits area, having harassed ships of any nationality which they may have felt were involved in carrying strategic cargos to Communist ports. However, the incident-rate since late 1956-early 1957 has decreased significantly, with practically free access allowed to the port of Amoy for shipping other than Chinese Communist.



LAURENCE H. FROST
Rear Admiral, U. S. Navy
Director of Naval Intelligence

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Assistant to Secretary of Defense for Special Operations
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| 2 | <i>(Has seen copy given to him at 1st USIB meeting 10/12. That copy was sent dir. to DD/ID in his USIB Brief Book.)</i> | | |
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Remarks:

The attached was distributed by Adm. Frost at USIB on 12 November 1958.

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FROM: NAME, ADDRESS AND PHONE NO.

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12 Nov 58